



City of Long Beach
Working Together to Serve

Memorandum

Date: October 28, 2019

To: Thomas B. Modica, Acting City Manager *T. Modica*

From: John Gross, Director of Financial Management *J. Gross*

For: Mayor and Members of the City Council

Subject: **Summary of September 3, 2019 FY 20 Budget Adoption Actions**

At its September 3, 2019 meeting, the City Council adopted the City Manager's Proposed FY 20 Budget with changes from the Mayor's recommendations, Budget Oversight Committee recommendations, and other City Council actions. This memorandum provides the list of City Council motions as approved on adoption night, as well as staff notes (*in italics*) for select items to provide any clarifications or comments on next steps. The motions are summarized below.

1. Use \$175,000 from the General Fund Group projected FY 19 ending funds available, for one-time investments as follows:
 - a. \$153,000 to complete the Daisy Lane tree project consisting of 24 trees and related electrical and infrastructure improvements; and,
 - b. \$22,000 to support the Long Beach Public Library Foundation to acquire a new fundraising software platform.
2. Use \$125,000 from the Special Advertising and Promotions Fund Group funds available, for one-time investments as follows:
 - a. \$50,000 to support the outreach efforts for an African American Museum;
 - b. \$50,000 to support outreach efforts for a Latino Community Center in partnership with MOLAA and Centro CHA; and,
 - c. \$25,000 in one-time matching funds to augment the \$50,000 one-time investment already incorporated in the City Manager's proposed budget to bring the total one-time support for the Arts Council up to \$75,000 in FY 20.
3. Use \$680,000 from the Refuse Fund Group to enhance the existing Clean Team services, offset by additional revenue from fees as needed for:
 - a. \$300,000 for a one-time purchase of refuse vehicles to support new Clean Team efforts to come from the Refuse Fund Group funds available; and,
 - b. \$380,000 in ongoing support for an additional four-person Clean Team.

4. Use \$500,000 from the Health Fund Group funds available, for a one-time investment to support a two-year pilot program, including two positions and associated costs for HIV and STD testing and outreach.
 - *The Health and Human Services Department will use \$500,000 of funds available in the Health Fund to cover the two-year pilot program (an average of \$250,000 per year).*
5. Use \$125,000 from funds available in the Historic Preservation Fund to complete the digitization of the Press-Telegram archives to ensure they are free and available to residents and scholars.
6. Modify the City Manager's proposed FY 20 General City Building Refurbishment program funding in the Capital Improvement Fund Group and reallocate funding for one-time investments as follows:
 - a. \$100,000 for the second phase of the Bluff Park Historic Street Lamp project; and,
 - b. \$100,000 for planning and design of the City's first fully accessible ADA playground at El Dorado Park West.
7. Reallocate \$175,000 from current Proposition A Transit funds within the Capital Projects Fund Group to support Long Beach youth by piloting the Promise Pass programs.
 - *The \$350,000 costs for this pilot program is intended be split evenly between LB Transit and the City. The City's portion will come from Proposition A Transit Funds.*
8. Reallocate \$100,000 from within the Harbor Department's FY 20 budget to increase the administrative capacity of Sisters Cities of Long Beach, Inc.
9. Modify the Proposed FY 20 multi-year Measure A plan as follows:
 - a. Use the \$9,561,510 one-time funds set aside for public safety or other enhancements in the out-year plan for Measure A as follows:
 - i. \$4,700,000 to temporarily fund a two-year restoration of Fire Engine 17 for FY 20 and FY 21, with a two-week delay in implementation in FY 20 to mid-October;
 - ii. \$4,761,510 available over four years to help fund the cost of providing a temporary and a long-term solution for Fire Station 9; and,
 - iii. \$100,000 for diseased Magnolia tree program and removal.

- b. Consistent with the Measure A plan as modified, appropriate the following for FY 20 based on the projected available cash flow for:
 - i. \$2,300,000 for Fire Engine 17;
 - ii. \$1,514,645 for Fire Station 9; and,
 - iii. \$100,000 for the diseased Magnolia tree program and removal.
- *Attached is a modified out-year plan for Measure A based on the FY 20 adoption night changes approved by City Council. This updated chart will be included in the Adopted FY 20 Budget Book (Attachment A).*
- c. Appropriate in FY 20 up to \$3,000,000 in additional Measure A funds for Fire Station 9, contingent on the availability of FY 19 Measure A year-end surplus above what is currently projected in the Proposed FY 20 Measure A plan. The total planned funding for Fire Station 9 with this contingent funding is \$7,761,510.
- d. If there are any additional future surplus funds that are realized or improved revenue projections for Measure A, prioritize the additional funds available for one-time infrastructure investments in the following areas using the following priority allocation of any additional funds. The following dollars would be allocated over FY 20 to FY 22, if overall revenue projections increased by \$3 million, with half being available for the following one-time purposes:
 - i. The first \$100,000 for irrigation pumps.
 - ii. The next \$100,000 for tree stump removals.
 - iii. Alleys – 60 percent (\$2,580,000).
 - iv. Park Bathrooms – 20 percent (\$860,000).
 - v. Playgrounds – 20 percent (\$860,000).
- *Measure A revenue is allocated 50 percent to structural and 50 percent to one-time needs. If revenues exceed projections by up to \$3.0 million a year in FY 20, FY 21 and FY 22, the 50 percent portion that is intended for one-time uses will be allocated in the manner approved by the City Council. The total of this one-time allocation would be up to \$4.5 million, and will be brought back to the City Council for appropriation once funds are available.*

Additionally, the City Manager is to provide a report on potential funding for irrigation pumps.

- *Attachment E of the FY 20 Budget Book Executive Summary provides a non-comprehensive list of unfunded needs and liabilities, including irrigation pumps. As part of the FY 20 Adopted Budget actions, \$100,000 of any future Measure A funding beyond what is currently anticipated is planned to be allocated for irrigations pumps. If these surplus funds become available, City staff will return to the City Council to appropriate the funds along with a plan for use of the funds. In the interim, staff continues to explore opportunities with grants and other possible funding opportunities for this and other unfunded needs.*

10. Appropriate \$148,133 from the General Fund Group and Uplands Fund Group projected FY 19 and FY 20 ending funds available and recognize one-time savings of \$252,000 from proposed departmental activities for one-time investments as follows, as well provide additional direction to City staff on proposals in the General Fund Group as follows:

- *The total City General Fund sources of funds for the uses in motion 10 is \$400,133, funded from a combination of \$148,133 fund available in the General Fund and Uplands Oil Fund Groups, and \$252,000 in savings from one-time departmental savings (motions 10 g., 10 h., and 10 i. below). In addition, \$25,000 of funding from Partners of Parks is anticipated (motion 10 c.). Additional details on the General Fund uses of these funds (\$425,133 including the Partners of Parks support) are provided below.*
- a. \$115,000 for a three-month pilot to provide weekend homeless outreach and response that would begin October 1, 2019 and continue for three months.
- *Per the August 30, 2019 memorandum to the City Council on Weekend Homeless Outreach and Response, the City will engage in a three-month pilot program that allows for weekend coverage. The proposed model will include coordinated proactive outreach on Saturdays and Sundays, from 6:00 a.m. until 2:00 p.m.; shelter beds are available at the Rescue Mission each night of the week with intakes available until 11:00 p.m.; and, motel vouchers are also available for unique circumstances. The model is estimated to utilize a homeless outreach team, a Quality of Life Officer, a HEART team, and a Clean Team. Staffing for this model is based on overtime staff coverage.*
- b. \$88,133 for expanded library hours, which can include some form of Sunday hours, Monday afterschool hours, and/or summer morning hours at select locations to be determined by input from the current utilization data and the recent library patron survey. Direct the City Manager to work with the Library Services Department to report back to City Council on the plan.
- *The Library Services Department has reviewed the current utilization data and recent library patron survey and is recommending to continue open Sunday hours (12:00 to 4:00 p.m.) at Bay Shore and Michelle Obama Libraries from*

November through June 2020. Additional details of the recommended expanded library hours have been outlined in a separate memorandum to the City Council issued on October 7, 2019.

- c. \$24,000 for the Be S.A.F.E Program to augment the \$80,000 structural budget, to be matched by \$25,000 from Partners of Parks. Additional program locations to be determined by the Parks, Recreation and Marine Department in collaboration with Partners of Parks, based on review of prior years' utilization data. Additionally, modify the name of the program to make it more marketable and easier for the community to understand the purpose of the program.
 - *The Parks, Recreation, and Marine Department will evaluate utilization data for the Be S.A.F.E Program and will report on the program locations for FY 20 in a separate communication to the City Council by February 2020.*
- d. \$15,000 for senior programming at the Expo building and direct staff to re-appropriate any remaining FY 19 funds allocated for this purpose. This funding along with FY 19 carryover funding is expected to support senior programming for FY 20.
- e. \$10,000 for trash can lids in the non-Tidelands areas.
- f. Reduce appropriations for the Short-Term Rental (STR) program, on a one-time basis by \$79,000, and direct the Development Services Department to explore and report back on program volume and less costly program enforcement models in the proposed STR program prior to adoption of the FY 21 budget.
 - *The one-time savings of \$79,000 generated by this action serves as a source of funds for uses in motion 10. Details on the impact of this were provided in a [Memorandum to the City Council on October 21, 2019](#).*
- g. Reduce appropriations for the STR program by \$73,000 and delay the program on a one-time basis to reallocate the funds to maintain the Office of Aging, supported by another \$73,000 from Homeless HEAP 2.0 for total funding of \$146,000.
 - *With items 10.f. and 10.g. combined, the total one-time reduction to the STR program is \$152,000 in the General Fund. Development Services Department staff is evaluating possible options to phase implementation of the program within the approved budget in FY 20. Development Services anticipates City Council action on the STR ordinance in November. Prior to this action, Development Services will prepare a memorandum to the City Council outlining its proposed course of action and timing to implement the ordinance.*

Of the total \$146,000 funding for the Office of Aging, \$73,000 is from the General Fund and the other \$73,000 is from other grant funds.

- h. Recognize \$100,000 in one-time vacancy savings resulting from the time-delay for hiring and onboarding of the nine positions added to the Police Department to support addressing State mandates and the Body Worn Camera program.
 - *The one-time savings of \$100,000 generated by this action serves as a source of funds for uses in motion 10.*
- i. From the City Manager's Proposed \$600,000 one-time investment set-aside for Census and Redistricting, allocate \$350,000 for Census and \$250,000 for Redistricting. Direct City Manager to report back to the City Council on the estimated uses of the funds.
- j. Appropriate \$60,000 in the Parks, Recreation, and Marine Department (PRM), freeze utilization of the FY 19 Youth Strategic one-time funds, and appropriate the remaining funding from the Health Department to PRM through a budget adjustment to lead the remaining implementation of the Plan and expand it to include follow up on last year's request for Workforce programming at the McBride Teen Center.
 - *Per City Council direction, as part of the FY 20 Budget adoption night actions, a freeze was implemented on the FY 19 Youth Strategic one-time funds. Shortly thereafter, PRM took over management of the Youth Strategic Plan process and has begun to oversee the program and its spending.*

Moving forward in FY 20, PRM will continue to work closely with the Health Department and assess the current status on developing the plan and budget. PRM will meet with consultants and key stakeholders involved with the plan and clarify expectations to develop a mutually agreed path toward completing the plan. In parallel with these efforts, PRM will review and analyze the best use of available and additional resources to support the development of a Youth Strategic Plan and will partner with the Health Department to leverage their experience and expertise on the needs of youth citywide. Additionally, in a future budget adjustment, City staff will request to move unspent appropriation for the Youth Strategic Plan to PRM.
- k. Appropriate \$15,000 for Community-Based Organizations to continue work on educating and outreach for the City's language access resources. The City Manager will determine distribution of funds.
 - *The City Manager's Office will work with the Health Department to establish a process to distribute these funds to Community-Based Organizations for education and outreach on the City's language access resources that the City has available.*

- I. Implement the Fire Diversity Recruitment program to be funded through year-end savings in the Fire Department, or additional Instructional Services Agreement (ISA) training revenues. If those funds are not sufficient and additional funds are needed, City staff will return to the City Council with a report and recommendation.
 - *The Fire Department will implement the Fire Diversity Recruitment program on a one-time basis in FY 20 utilizing a Fire Captain position and a temporary administrative support position. This is estimated to cost \$250,000 in FY 20 and is anticipated to be funded through a combination of FY 19 year-end savings, and/or other FY 20 sources such as higher than budgeted ISA training revenue. Staff will return to the City Council with a request for appropriation in FY 20 if needed, once FY 19 year-end savings, ISA revenue, and/or other FY 20 sources have been evaluated.*
11. Appropriate \$508,000 of the Special Advertising and Promotions Fund Group (SAP) funds available and recognize one-time savings of \$100,000 from proposed funding for the media wall programming for one-time investments, as well as provide additional direction to City Staff on SAP-related items as follows:
 - *The reduction of one-time SAP Funds for LBTv will reduce LBTv's capacity to create original content for the media wall. The plans were to work with local artists, the Arts Council, Long Beach Museum of Art, and California State University, Long Beach to create content for the media wall. This reduction will therefore limit the amount of new content for the media wall and may lead to using more general content from Standard Vision.*
 - a. \$35,000 to support the annual Martin Luther King, Jr. Day Celebration in FY 20, conducted by the Office of Special Events and Filming in the City Manager Department.
 - b. \$235,000 for Council District Priority Funds to be divided equally between the City Council Districts to only be used toward SAP-qualified special events or contributions, managed by the Office of Special Events and Filming in the City Manager Department.
 - c. \$108,000 for the City match needed to utilize Metro grant funds for the following two Beach Street events in FY 20:
 - i. Beach Streets University covering 4.1 miles of eastern Long Beach along Atherton Street adjacent to California State University, Long Beach, Bellflower Boulevard, Los Coyotes Diagonal, and Spring Street; and,
 - ii. Beach Streets Downtown covering 4.0 miles of roadway along Broadway, Pine Avenue, Cherry Avenue, and 4th Street.

- d. \$100,000 as a grant to the new Economic Development Corporation for direct activities for outreach and promotion of the City.
 - e. \$20,000 for a Youth Poet Laureate Program, subject to later confirmation on program structure and eligibility for SAP funds.
 - *The Library Services Department and its partners will convene workshops, events, and panels; provide venues for meetings and events; and identify poet mentors, judges, and panels. To comply with the requirements of the SAP funding source, poem selection criteria will include works that focus on the Long Beach experience including the City's natural advantages, resources, enterprises, attractions, climate, and facilities.*
 - f. \$10,000 as a contribution to support the Women's Suffrage Centennial celebration's mural, as presented to the Budget Oversight Committee.
12. Modify the City Manager's Proposed FY 20 Tidelands Capital Projects to free up \$200,000 that can be appropriated for other priorities by decreasing Colorado Lagoon Playground by \$50,000; decreasing Painting at Various Public Facilities by \$150,000; decreasing Wayfinding Signs by \$50,000; and increasing the appropriation for Tidelands Critical Facilities by \$50,000. The net result of these changes frees up \$200,000 to be appropriated for new priorities as follows:
- a. \$150,000 for homeless rapid response along the beachfront; and,
 - b. \$50,000 for trashcan replacements in the Tidelands area.
13. Appropriate the next available \$150,000 of the 75 percent project area share of proceeds from the sale of the former RDA properties anywhere in the City to fund a two-year lease for North Long Beach Higher Education Center; and, appropriate \$150,000 of the 75 percent project area share of sale of proceeds received from in the former West Project Area and any future proceeds in the West Project Area, if needed, for improvements to the Santa Fe Corridor.
- *As of September 3, 2019, there are sufficient sales proceeds set aside in the former West Project Area to fund the improvements to the Santa Fe Corridor. Additionally, per City Council direction, funds to cover the \$150,000 for the North Long Beach Higher Education Center can be funded by the 75 percent project area share of proceeds from former RDA property sales anywhere in the City, which is expected to be available in early FY 20 from proceeds from the anticipated sale of the property at 1675 Santa Fe Avenue in the West Project Area. Once funds have been recognized, staff will return to the City Council to request appropriation for this project.*

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If you have any questions regarding this matter, please contact Budget Manager Grace H. Yoon at (562) 570-6408.

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ATTACHMENT

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
REBECCA G. GARNER, ACTING ASSISTANT CITY MANAGER
KEVIN J. JACKSON, DEPUTY CITY MANAGER
TERESA CHANDLER, INTERIM DEPUTY CITY MANAGER
ANDREW VIALPANDO, ACTING ADMINISTRATIVE DEPUTY TO THE CITY MANAGER
GRACE H. YOON, BUDGET MANAGER
DEPARTMENT HEADS

FY 20 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

Attachment A

\$ in Millions	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adjusted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027		TOTAL
One-Time													
Revenue	15.16	34.99	29.56	29.86	30.2	30.6	7.0	-	-	-	7.2		184.6
Uses													
Admin	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure*	(11.9)	(28.0)	(31.9)	(21.1)	(18.5)	(13.3)	(16.9)	-	-	-	-	-	(141.6)
Fire Academy	-	-	(0.9)	-	-	-	-	-	-	-	-	-	(0.9)
HEART Team Vehicle			(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
Fire Communications Technology	-	-	-	-	-	(5.8)	-	-	-	-	-	-	(5.8)
Police Academy	-	-	(2.1)	(1.4)	-	-	-	-	-	-	-	-	(3.5)
Police Body-Worn Cameras	-	-	-	(1.4)	-	-	-	-	-	-	-	-	(1.4)
Police Overtime	-	-	(1.9)	(2.2)	(2.2)	(2.2)	(2.2)	-	-	-	-	-	(10.7)
Police Communications Technology	-	-	-	-	(2.6)	(9.5)	-	-	-	-	-	-	(12.1)
Police Jail Clinician Program				(0.1)	-	-	-	-	-	-	-	-	(0.1)
Set Aside for Engine 17			-	(2.3)	(2.4)	-	-	-	-	-	-	-	(4.7)
Network Camera Modernization	-	-	(0.6)	-		-	-	-	-	-	-	-	(0.6)
Magnolia Tree Program & Removal	-	-		(0.1)	-	-	-	-	-	-	-	-	(0.1)
Total Uses	(11.9)	(28.0)	(37.5)	(28.5)	(25.7)	(30.8)	(19.1)	-	-	-	-	-	(181.6)
One-time Available / (Shortfall)	3.3	7.0	(8.0)	1.3	4.5	(0.2)	(12.1)	-	-	-	7.2		3.0
TOTAL AVAILABLE / (SHORTFALL)	3.3	9.0	(5.8)	1.3	4.5	(0.2)	(12.1)	(0.0)	(0.0)	(0.0)	7.1		7.2
CUMULATIVE		12.3	6.5	7.9	12.4	12.1	0.1	0.1	0.1	0.1	7.2		NA
*Total infrastructure (From combined one-time and structural portions)	(25.7)	(30.5)	(31.9)	(21.1)	(18.5)	(13.3)	(16.9)	-	-	-	-	-	(157.9)

¹ Amounts in the Infrastructure Category include costs for public safety facilities, including the Police and Fire Academy rebuilds at \$15 million and \$6.5 million, respectively. As part of the FY 20 Budget adoption night actions, a total of \$4.8 million was allocated between FY 20 and FY 23 for Fire Station 9.

² Per City Council action on September 3, 2019, the first available FY 19 year-end Measure A surplus, up to \$3 million will be automatically appropriated for Fire Station 9. That amount is not included in the table above because the offsetting revenues are not yet certain. The total planned funding for Station 9 across multiple years including this contingent funding is \$7,761,510

³ Per City Council action on September 3, 2019, if overall future Measure A revenue projections increased by \$3 million with half being available for the following one-time purposes, prioritize the additional funds available for one-time infrastructure investments in the following areas using the following priority allocation of any additional funds: The first \$100,000 for irrigation pumps; the next \$100,000 for tree stump removals; Alleys – 60 percent (\$2,580,000), Park Bathrooms – 20 percent (\$860,000) and; Playgrounds – 20 percent (\$860,000). The total of this one-time allocation would be \$4.5 million over multiple years, and would be brought back to City Council for appropriation and added to the above plan once funds are determined to be available.

FY 20 Adopted - Measure A Infrastructure Planned Uses (FY 17 -FY 23)
Summary Detail by CIP Category

Attachment A

Infrastructure Category (\$ in Millions)	FY 17 Adjusted	FY 18 Adjusted	FY 19 Adjusted	FY 20 Proposed	FY 21 Planned Uses	FY22 Planned Uses	FY 23 Planned Uses	Total Planned Uses
Beaches & Marinas	-	-	-	0.2	0.5	-	-	0.7
Mobility	16.5	16.3	9.5	11.3	13.0	2.8	0.2	69.7
Parks & Recreation	6.1	9.3	11.5	2.0	0.5	1.0	-	30.4
Public Facilities	3.1	3.3	9.0	6.0	4.5	9.5	16.7	52.1
<i>Police Academy Facility Rebuild</i>	-	-	-	0.5	0.5	7.0	7.0	15.0
<i>Fire Academy Facility Rebuild</i>	-	-	-	-	-	0.8	5.7	6.5
<i>Station 9</i>				1.5	1.6	0.5	1.1	4.8
<i>Other Public Facilities/(Cost & Revenue Variances)</i>	-	-	-	4.0		1.2		5.2
Utilities (Stormwater Protection)		1.6	1.9	1.5	-	-	-	5.0
Grand Total (\$ in Millions)	\$ 25.7	\$ 30.5	\$ 31.9	\$ 21.1	\$ 18.5	\$ 13.3	\$ 16.9	\$ 157.9